

resolution of its governing body nominate or authorize one of its directors or officers to nominate a qualified person for each directorship to be filled in its state. The nominating certificate must be received in the Federal Housing Finance Board by July 15.

(c) A letter will be sent to each nominee by August 5 informing him of his nomination. However, a nominee shall be ineligible to seek election pursuant to § 932.14 of this part and shall not be sent such letter if:

(1) He is then serving as an elective director whose term does not expire until after the close of the calendar year during which the election is being held.

(2) He is holding an appointive directorship unless the Federal Housing Finance Board has received from him, before July 15, notice of his intention to be a candidate for a directorship; or

(3) His institution does not meet any applicable minimum regulatory capital requirements as set forth by a member institution's appropriate regulatory agency.

With such letter will be sent a list of nominees and a copy of Form E-1. Each nominee must certify to the Board on Form E-1 by August 20 that such nominee meets all applicable eligibility qualifications for his election set forth in section 7 of the Act and this part. A nominee shall be eligible for election only if his name is so placed on the ballot.

(d) Notwithstanding other provisions of this section, if at any time when nominations are required, the members of a bank hold less than \$1 million of the capital stock of the bank, the Board will, in accordance with section 7(h) of the Act, appoint a director(s) to fill the place(s) for which nominations are required.

(e) In any Federal home loan bank district that comprises five or more states, the Board may increase the elective directorships to a number not exceeding thirteen. The designations and nomination of all elective directorships shall be undertaken in the manner set forth in this section.

[54 FR 38591, Sept. 19, 1989, as amended at 58 FR 31901, June 7, 1993]

#### § 932.14 Election of directors.

(a) By September 25, the Board will mail to each member in each state for which an elective directorship is to be filled a set of ballot materials in a form prescribed by the Board. The ballot will contain in alphabetical order the name of each candidate eligible to represent the members located in such state having complied with the provisions of § 932.13 of this part, the name and address of the member institution with which each candidate is affiliated, the candidate's title in the member institution, and the number of votes the member may cast, as determined under the provisions of paragraph (b) of this section.

(b) The number of votes each member may cast shall equal the number of shares of stock in the bank required by the Act to be held by such member at the end of the calendar year preceding the election, except that:

(1) A member that is the result of a merger or consolidation, occurring in the year of election, of two or more member institutions within the same state and Federal home loan bank district, may cast votes equal to the total number of shares of stock that the merged or consolidated institutions comprising it were required to hold as of the end of the calendar year preceding the election, and

(2) No member may cast votes in excess of the average number of such shares required by the Act to be held at the end of such calendar year by members in such state.

(c) Each member entitled to receive a ballot may, by resolution of its governing body, cast its votes or authorize one of its directors or officers to cast its votes for each of as many candidates as there are directorships to be filled. The ballot materials shall be sent to the Federal Housing Finance Board and must be received by October 25. No ballot may be changed after it is delivered to the Federal Housing Finance Board, which will preserve all ballots until the end of the next calendar year. Election ballots will not be opened until after 5 p.m., e.s.t., October 25. Only ballots executed on forms supplied by the Board will be considered.

(d) By December 31, the Board shall declare elected the candidate receiving

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the highest number of votes cast, and where two or more directorships are to be filled from the ballot, the Board shall declare elected each candidate receiving the next succeeding highest number of votes until the number of candidates declared elected equals the number of directorships to be filled. If required by a tied vote, the Board will declare elected one of the candidates whose votes are tied. No candidate who represents a member institution that fails to meet any applicable minimum regulatory capital requirements as set forth by the member institution's appropriate regulatory agency shall be declared elected by the Board. If the candidate receiving the highest number of votes cast is ineligible to be declared elected, the Board shall declare elected the candidate receiving the next succeeding highest number of votes who is eligible to be declared elected.

(e) The Board will record the results of the election in its minutes and notify the directors elected. The Board will furnish each member such results, including the name and address of the institution with which he is affiliated and his title therein, the number of votes he received, the number of members eligible to cast votes for the directorship(s), and the total eligible votes all such members were entitled to cast.

(f) In any date specified in §§932.12 through 932.14 of this part occurs on a Saturday, Sunday, or holiday, the next business day shall be included in the time allowed. No nominating certificate, questionnaire, or ballot shall be considered unless received in the Federal Housing Finance Board by the date specified.

[54 FR 38591, Sept. 19, 1989, as amended at 55 FR 1398, Jan. 16, 1990; 58 FR 31901, June 7, 1993]

## § 932.15 Prohibition of actions influencing votes.

No officer, attorney, employee, or agent of the Board or a Bank may individually or collectively take any action tending to influence votes for a directorship in a bank, and no person shall include in any letter, literature, or other paraphernalia, language or any presentation indicating, directly or indirectly, that the Board, or any of-

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ficer, attorney, employee, or agent of the Board or a Bank supports the candidacy of any person for an elective directorship. The Board, after hearing, may consider any such action grounds for dismissal from a directorship or may declare vacant the directorship involved, or both.

[54 FR 38592, Sept. 19, 1989]

## § 932.16 Definition of State.

As used in §§932.11, 932.13, and 932.14, the word *State* means State, the District of Columbia, or Puerto Rico.

[54 FR 38592, Sept. 19, 1989]

## § 932.17 [Reserved]

## § 932.18 Appointive director eligibility.

(a) *Qualifications.* Each appointive director shall:

- (1) Be a citizen of the United States;
- (2) Be a bona fide resident of the district served by the Bank for which he or she is a director; and

(3) Comply with all requirements of the Act, and the regulations and policies of the Board and of the Bank presently in effect or to be established by the Board or the Bank's board of directors.

(b) *Prohibited service, financial interests and financial relationships.* (1) No director who is appointed pursuant to section 7(a) of the Act may, during such director's term of office, serve as an officer of any Bank.

(2) No director who is appointed pursuant to section 7(a) of the Act may, during such director's term of office, serve as a director or an officer of, or have a financial interest in, any member (or a subsidiary or non-diversified holding company thereof, or affiliate of such holding company) of the Bank on whose board the director serves, except as provided in paragraph (c) of this section.

(3) No director who is appointed pursuant to section 7(a) of the Act may, during such director's term of office, have a financial relationship with a member (or a subsidiary or non-diversified holding company thereof, or affiliate of such holding company) of the Bank on whose board the director serves, that: